

Crossgate Church Ltd
Company Limited by Guarantee

Report and Financial Statements
For The Year Ended 31 December 2023

CROSSGATE CHURCH LTD

TRUSTEES REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

Contents

	Page
Charity Reference and Administrative Details	1
Trustees' Annual Report	2 to 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 to 21

CROSSGATE CHURCH LTD

CHARITY REFERENCE & ADMINISTRATIVE DETAILS

YEAR ENDED 31 DECEMBER 2022

Registered charity name	Crossgate Church Ltd
Charity registration number	1119350
Company registration number	06057378
Registered office	The Benchmark 25 Ribblesdale Street Preston Lancashire PR1 5BA
Trustees	Mr J L Bowen Mr A Gardner Mr I K Ferguson Mr S Barratt
Secretary	Mr J L Bowen
Key Management personnel	Rev J Wright (Pastor)
Independent examiner	UHY Hacker Young Manchester LLP Chartered Accountants St James Building 79 Oxford Street Manchester M1 6HT

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2023

The Trustees of the Charity, who are also Directors of the Company for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 December 2023.

Objectives and activities

The Charity exists in order to demonstrate the love of God in word and action, provide worship facilities to the membership and wider congregation and to provide fellowship and support for each other.

The Charity's vision is: To make fully devoted followers of Jesus Christ and the Charity hopes to achieve this through a biblically based purpose centred on two passages, Mark 12:30-31 and Matthew 28:19-20 (Jesus' Great Commandment and Great Commission) which describe loving God, loving your neighbour, making disciples and teaching Jesus' commandments. Crossgate Church summarises this purpose with the phrase:

To be a Christ Centred Community, Loving People Transforming Lives

This purpose encompasses and encourages the Charity's activities both internally and externally. The Charity continues to teach and demonstrate the love of God in Preston, offer multiple worship services throughout the week and provide both spiritual and tangible support for membership and the wider public. Simultaneously it extends its charitable work to meet a variety of social, spiritual and economic needs in the community, regardless of background, race or creed whilst keeping Jesus at the centre with the belief that it is not charitable action making a difference in their life but his transforming power.

The strategies we employ to fulfil our aims and objectives can be classified into two broad areas: looking inwards and looking outwards.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Looking Inwards

Sunday morning services are at the heart of Crossgate's ministry and offer a place where everybody can connect spiritually and meet with God through bible-based teaching, vibrant, modern and energetic worship and prayer. Each Sunday the congregation are encouraged to share and pray for each other in a safe environment, offering support and encouragement to each other. There is also a practical element where visitors and guests can be introduced to the church via the 'Next Steps Desk' which keeps track of guest numbers and encourages sign ups to small group's which happen during the week in various guises. We believe that strong small groups are the foundation to a healthy church and seek to encourage community through small groups, as a growing church we are aware that this can often lead to isolation and people feeling left out, small groups are a way to combat this and strengthen community.

Sunday Services offer programmes for all ages held weekly for toddlers up to high school ages. There is also a parent and child room with comfortable seating, toys and a TV with live video stream of the main service for parents with younger babies. Crossgate completed the building work in early 2023, providing a 100-seater Youth room and a 60 seater children's room for use on Sunday mornings and throughout the week for various outreach involving our young people. Although Sunday morning is the busiest service attended, there are a number of classes and courses running throughout the week. Faith and evangelistic based courses such as Alpha and Christian Essentials support the charity's vision in making fully devoted followers of Jesus Christ. Simultaneously there are approximately 20 'small groups' or 'Hope Groups' which meet throughout the week at various locations for numerous purposes and online via Zoom, often with a practical aspect, hobby or theme. Completion of the upstairs building work also saw the completion of the Chapel room used as a designated space for quiet reflection, prayer, devotion and for pastoral care meetings.

Throughout 2023, Crossgate Church's online presence continued with all services recorded and aired live professionally via our website and YouTube for the congregation who are unable to attend in person. This continues to be a valuable outreach and is used by many including those in other countries.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2023

Crossgate continues to prepare meals for vulnerable members of the church and the local community to provide support. This continued each week throughout 2023 and basic groceries were also donated to those in need as well as the meals. On average over the year, some 6,700 meals were prepared and 2065 bags of groceries were delivered to at least forty households or individuals per week. By seeing people regularly and building trust, we have been able to provide further support to some families with debt problems, budgeting, loneliness and support to access benefits. In the spring of 2023 we were able to introduce a new element to our Community Hub and opened our own Community Foodbank, Up to the end of the year we had given food / shopping on a weekly basis to approximately thirty five families or individuals on a weekly basis, as well as the regular food deliveries.

At the end of 2022 we started a drop-in community hub in our church coffee shop, where those we were helping with meals and others from the local community were able to come in for a coffee, chat and access support for debt management and benefits advice etc. This has continued throughout 2023 and remained a positive outreach for the community. We have made relationships and gained trust with local homeless people, street ladies and those battling addiction, providing food, toiletries and support with housing applications and benefit claims. Some of these people choose to meet with their mental health workers and support workers in our café so that we can also offer support, and we have some local addiction recovery groups that meet on our premises so that service users can come and receive prescription medicines by professionals, and support in other areas from us. We have also introduced groups run by our own staff and volunteers including a 12 step recovery programme and Hope in Mental Health groups. The introduction of the Foodbank means that even more people are coming in and able to access support from us.

Looking Outwards

The completion of the building works not only serve the church internally but are used for serving the community externally also. The newly renovated spaces are used for events for external parties and includes a shower for those in need.

We work closely with three local prisons in a number of ways. Practically HMP Preston used Landmark and Benchmark for probation training for prisoners, as well as other training purposes for prison staff. Crossgate has a team of volunteers who support the existing chaplaincy team in HMP Wymott & HMP Preston.

The Church coffee shop which is located within Landmark is open for limited hours Monday - Friday and is of particular importance to HMP Preston who use it on a regular basis for visitors and family members for whom we provide support if needed.

The church works closely with other churches and organisations both locally and nationwide and is a member of the Evangelical Alliance and Lancashire Churches Together; the Pastors are members of a UK Leadership Network that meets bi-annually. Crossgate is also a member of the Grow Leadership Network that meets twice a year. Crossgate Hub is now a registered Warm Welcome Space in Lancashire and appears on the Warm Spaces website. (*"Warm Welcome Spaces come in all shapes and sizes: community centres, libraries, churches, community cafes, arts centres, local businesses, and schools. No matter where they are based, you can be assured of a warm and friendly welcome."*)

Crossgate Church is blessed to be seen as a church of influence and significance and fully appreciates the opportunities that are offered to serve the local community and wider afield. This is particularly relevant within the immediate community and the relationship that has been developed with HMP Preston.

Across the generations Crossgate Church is blessed to be able to be the 'hands and feet' of Jesus to those in need, whether it be close to home or overseas.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2023

Achievements and performance

The continuation of Landmark's building and development work throughout the year has been the ongoing story for Crossgate Church. The gradual transformation from a garage and warehouse to a multi-functional place of worship continues to be a story of both encouragement and ambition for the future of the Church in Preston. This major project was overseen by a dedicated building team made up of industry experts and professionals. The venue serves both members of the Church and the local community. It is also hired out for larger one-off corporate events.

The café area has increased its service for HMP Preston and operated as a visitor centre for families of inmates. Going forwards this is an area of development and growth for Crossgate Church.

In December we had multiple Christmas events, our Christmas Celebration Services were once again a great success both online and in person. We were able to host our annual special Carol Service in HMP Preston again this year. The church was involved in distributing Christmas assistance to over 285 households by providing food hampers, Christmas lunches, gift bags and white goods. Some families received 'Christmas Dinner in a bag' where we gave them a turkey, vegetables and all the trimmings so that they could cook their own Christmas lunches. Gifts were given to children who are known to us through the Community Hub and we provided a Christmas lunch party for those who regularly attend the hub. Gifts were also given to those who were nominated through our partnerships with other organisations, including gifts for children of serving offenders, social services and local schools.

Structure, governance and management

The Charity is controlled by its governing document, a Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Following a review of the governance structure of the Charity in 2015 the previously separate groups of Trustees and Elders were consolidated into a new, single 'Leadership Board' in March 2016. The purpose of this change was to improve communication, facilitate management efficiency and streamline decision making. The Board provides accountability and oversight for both the spiritual aspects and legal responsibilities of the charity.

Suitable candidates for new Trustees are identified and discussed by the current Trustees and Lead Pastor. Consensus is required on candidates to take forward before the appointment process proceeds further. A candidate evaluation and interview process then takes place. Successful candidates are then announced to the Membership and, provided there are no objections, the new Trustees are formally appointed. If objections are raised, the Trustees will seek to clarify and endeavour to resolve the issue. However, should any doubt remain as to the integrity of the person in question, then approval will not be granted.

New Trustees are required to sign a copy of the Charity 'Statement of Affirmation,' confirming they have not been disqualified from acting as a Trustee, they have no criminal record and their personal financial affairs are above reproach. They are also given a copy of the latest available accounts, a copy of the Charity Commission publication 'The Essential Trustee - What You Need to Know' and a copy of the Memorandum and Articles of Association for information and reference.

Organisational structure

The day-to-day running of Crossgate Church is shouldered mainly by the Church Staff, under the leadership of the Lead Pastor (Josh Wright), who has been empowered by the Trustees to carry out their duties within an agreed process. The Pastors attend Trustees meetings and the Lead Pastor acts as intermediary between the Trustees and the Staff Team.

The Pastors and the Leadership Board are ultimately responsible for the spiritual health of the Church and oversee the pastoral care of the Congregation. They constantly seek to determine God's will for Crossgate Church, in order that they may lead the Church forward both in vision and direction. Within this remit they also strive to empower and release key people within the various Ministries. Ministry Leaders are directly responsible to the Pastors, who meet on a weekly basis.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2023

Dr Martin Trench started his role as the Senior Pastor of Crossgate Church in May 2022, which sadly came to an end in December 2023 due to personal circumstances which led to Martin and his family returning to Canada. We were sad to see Martin leave but he left with the full support and blessing from the Trustees and the whole church. This returned Crossgate to a position of needing to identify and appoint a Senior or Lead Pastor.

Back in November 2021, we selected 4 applicants for interview, who we felt were all suitable candidates. During the interviews, God made it abundantly clear to all of us that Dr Martin Trench was to be appointed. Pastor Joshua Wright also applied for the role and finished a close second behind Martin Trench, after going through the process where he was independently and objectively assessed by the internal and external individuals involved on the interview team.

The board, along with Joshua himself, did not feel the timing was right for him in 2021. However, following 2 further years of professional, pastoral, and spiritual development in his continued role at Crossgate Church along with 18 months of direct mentorship from Dr Martin Trench, we were confident Joshua is now in the position to lead the church in a permanent position and we believe there is an anointing on his life to take up this role. This is therefore, a continuation of the process that was started 2 years prior being as Joshua already went through the interview process and finished very highly.

We conducted further discussions with Joshua following news of Martins departure and we were all in agreement to offer him the position without going down an unnecessary lengthy new process across several months.

Pastor Joshua Wright was appointed Lead Pastor, of Crossgate Church, on the 18th December 2023.

Relationships between the charity and related parties

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or senior manager of the charity with a partner organisation or supplier must be disclosed to the Trustees in the same way as any other contractual relationship with a related party and this is acknowledged within the Conflict of Interest policy.

Pay policy for senior staff

The Directors comprise the Board of Directors, who are the charity's Trustees, and the Senior Management Team comprise the key management personnel of the Charity, in charge of directing and controlling, running and operating the Charity on a day-to-day basis. The Leadership Team at the start of the year comprised of Josh Wright (Pastor) only but with more intentional and regular support from the board of Trustees. He was later joined by Rev Dr Martin Trench who overtook the role as Pastor upon joining the church.

All Directors give their time freely and no Director received remuneration in the year.

The pay of the senior staff is reviewed annually. A salary framework for all roles within the church is in place. This has been benchmarked against pay levels in other similar organisations of comparable size. In addition to defining pay bandings for each role type this framework also provides a mechanism by which staff can be awarded pay increments in recognition of additional responsibilities.

Volunteers

The Trustees wish to place on record their undoubted appreciation of the tireless work carried out by volunteers on behalf of the Charity, without which the Church could not continue in its present form.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud irregularity and error.

Trustee approval is required for all significant items of expenditure. Receipts or invoices are required in support of payments, which are allocated against the appropriate cost centres in our accounting system to ensure that an audit trail is provided for all expenditure.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2023

Appropriate insurance cover is in place and is regularly reviewed to ensure that the charity's risks are managed properly. We are adequately covered for Public and Employers Liability Insurance.

It is a requirement that all Trustees and persons working with children and/or vulnerable adults are cleared by the Police under the Disclosure and Barring Service scheme. The charity also subscribes to 'Thirtyone:eight' (formally the Churches Child Protection Advisory Service) to ensure compliance with the rules and regulations relating to children and vulnerable adults. Safeguarding is a priority of the charity and a dedicated safeguarding team comprising of a Leader and 2 deputies (split into age-appropriate groups) meet regularly for updates and to discuss potential safeguarding issues. This is also in close communication with Thirtyone:eight, an independent Christian safeguarding charity.

Financial review

During the year ended 31 December 2023 the Charity received total incoming resources of £437,037 of which £12,116 was received as restricted funding. Costs of £445,052 were incurred in connection with the delivery of direct charitable activities and associated support costs.

No material costs associated with fundraising were incurred during the year.

Cash at the year end was £51,704 (2022: £283,192) with the decrease being due to the planned expenditure incurred in the completion of the building works on the first floor of the Church.

The Charity's main source of regular income is support from the membership. There is never certainty over the levels of donations that the Charity receives.

Reserves policy

At 31 December 2023 the Charity held total funds of £1,629,064 of which £39,294 was restricted for future use, as detailed in note 15. Unrestricted funds totalled £1,589,770, which included the designated fixed asset fund of £1,594,363 and general unrestricted funds of £(4,593).

It is intended that sufficient reserves are retained in order to enable the Charity to undertake its financial commitments for a minimum of two months. The level of available, liquid unrestricted funds carried forward at 31 December 2023 was therefore below this target.

Going concern

The directors are taking all available steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring all available support being made available from the UK Government.

The directors believe that the Charity is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After reviewing the Charity's forecasts and projections and obtaining additional loan funding through the Governments available loan schemes, the directors have a reasonable expectation that the Charity has adequate resources to continue operational existence for the foreseeable future. The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

CROSSGATE CHURCH LTD

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2023

Plans for future periods

Crossgate currently has both online and in-person services on Sunday morning. However, one of the core principles is that of Small Groups and we see these as the foundation of our Church 'family' enabling members to invite new people to various groups throughout the week outside a regular church service. The development and continuation of small groups is to be extended and pushed as a key ministry area.

Our work with other faith based and secular organisations, government agencies and local community groups continues to flourish. It is our aim to continue to develop these relationships, with the aim of 'Loving People and Transforming Lives'.

Heading into 2024 we are excited to develop the way in which our rooms are being used to best serve the church, the community and to generate further income allowing us to even further serve and support the community. Having completed the main works on the mezzanine, we are now keen to develop the ground floor, adjust the floorplan and re-purpose the space to optimise the churches reach and impact.

Signed by order of the trustees:



Mr J L Bowen, Secretary

Date: 23 September 2024

CROSSGATE CHURCH LTD

INDEPENDENT EXAMINATION REPORT

YEAR ENDED 31 DECEMBER 2022

I report to the Charity trustees on my examination of the accounts of the Company for the year ended 31 December 2023, which are set out on pages 9 to 21.

Responsibilities and basis of report

As the Charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

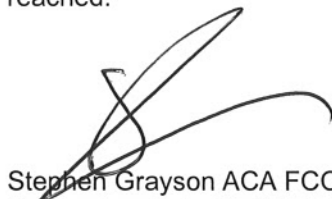
Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Stephen Grayson ACA FCCA

For and on behalf of UHY Hacker Young Manchester LLP

Chartered Accountants
St James Building
79 Oxford Street
Manchester
M1 6HT

Date: 23 September 2024

CROSSGATE CHURCH LTD

STATEMENT OF FINANCIAL ACTIVITIES (INCL INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2023

		2023		2022	
		Unrestricted funds	Restricted funds	Total	Total
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	351,705	12,116	363,821	799,814
Charitable activities	4	57,311	-	57,311	50,548
Investments		1,093	-	1,093	517
Other		14,812	-	14,812	11,382
Total income		424,921	12,116	437,037	862,261
Expenditure on:					
Charitable activities	5	434,582	10,470	445,052	430,731
Total expenditure		434,582	10,470	445,052	430,731
Net income / (expenditure)		(9,661)	1,646	(8,015)	431,530
Transfers between funds		236,022	(236,022)	-	-
Net movement in funds		226,361	(234,376)	(8,015)	431,530
Reconciliation of funds:					
Total funds brought forward		1,363,409	273,670	1,637,079	1,205,549
Total funds carried forward	15	1,589,770	39,294	1,629,064	1,637,079

The Statement of Financial Activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

CROSSGATE CHURCH LTD

BALANCE SHEET

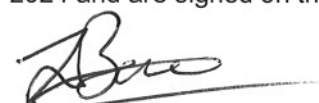
YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds £	2023 Restricted funds £	Total £	2022 Total £
	Note				
Fixed assets					
Tangible assets	9	2,129,524	2,658	2,132,182	2,024,137
Intangible assets	10	183	-	183	274
		2,129,707	2,658	2,132,365	2,024,411
Current assets					
Debtors	11	32,681	-	32,681	34,532
Cash at bank and in hand		15,068	36,636	51,704	283,192
		47,749	36,636	84,385	317,724
Creditors: amounts falling due within one year	12	(58,946)	-	(58,946)	(149,673)
Net current (liabilities)/assets		(11,197)	36,636	25,439	168,051
Total assets less current liabilities		2,118,510	39,294	2,157,804	2,192,462
Creditors: amounts falling due after more than one year	13	(528,740)	-	(528,740)	(555,383)
Net assets		1,589,770	39,294	1,629,064	1,637,079
Charity Funds					
Unrestricted funds		(4,593)	-	(4,593)	31,487
Designated fixed asset fund		1,594,363	-	1,594,363	1,331,922
Restricted funds		-	39,294	39,294	273,670
Total funds	15	1,589,770	39,294	1,629,064	1,637,079

For the period ended 31 December 2023 the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

The members have not required the Charity to obtain an audit of its accounts for the year in question in accordance with section 476; and the trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. The financial statements were approved by the members of the committee and authorised for issue on 23 September 2024 and are signed on their behalf by:



Mr J L Bowen, Trustee

Company registration number: 06057378

CROSSGATE CHURCH LTD

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flow from operating activities	20	(63,284)	529,987
Cash flow from investing activities			
Investment income		1,093	517
Purchase of tangible fixed assets		(138,053)	(288,909)
		<u>(136,960)</u>	<u>(288,392)</u>
Cash flow from financing activities			
Repayment of borrowings		(31,244)	(56,754)
		<u>(31,244)</u>	<u>(56,754)</u>
Net increase/(decrease) in cash and cash equivalents		(231,488)	184,841
Cash and cash equivalents at 1 January 2023		283,192	98,351
Cash and cash equivalents at 31 December 2023		<u>51,704</u>	<u>283,192</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		51,704	283,192
Cash and cash equivalents at 31 December 2023		<u>51,704</u>	<u>283,192</u>

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Legal form

The charity constitutes a limited company, limited by guarantee as defined by the Companies Act 2006, incorporated in England and Wales. The registered office is The Benchmark, 25 Ribbleson Street, Preston, Lancashire, PR1 5BA.

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) which became effective 1 January 2015, the Financial Reporting Standard 102 and the Companies Act 2006.

Crossgate Church Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

Preparation of the accounts on a going concern basis

Like many similar charities, Crossgate Church Ltd is reliant on donations and voluntary giving, the receipt of which can be unpredictable in terms of value and timing. However, the trustees are hopeful that giving will continue to remain at similar levels seen in previous years, and forecasts have been prepared on this basis. Therefore, the trustees have, at the time of approving the financial statements, a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for particular restricted purposes.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

Resourced Expensed

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable objectives includes the costs of charitable activities undertaken directly to further the purposes of the charity and their associated support costs.

Donated assets and services

Assets donated for ongoing use by the Charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the Statement of Financial Activities.

Donated services are recognised as an expense on the Statement of Financial Activities on the basis of the value of the gift to the Charity where the Charity has control over the service, with a corresponding amount recognised as income.

Allocations of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between expenditure on charitable activities on an actual basis where applicable. The remaining support costs have been allocated between each activity based on the proportionate direct costings.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairments.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	2% straight line
Kitchen improvements	5% straight line
Technology/security	25% straight line
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

Land is not depreciated.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, concessionary loans and hire purchase agreements which are subsequently measured at amortised cost using the effective interest method.

Operating leases

Rentals payable are charged on a time basis over the lease term.

Concessionary Loans

For concessionary loans repayable on demand, the carrying amount of the loan has not been adjusted to reflect the below prevailing market rates of interest being charged.

Concessionary loans repayable in more than one year have been initially recognised at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and adjusted if necessary for any impairments.

2 Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimated.

3 Income from donations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Gifts	299,800	640	300,440	663,329
Gift aid	51,905	176	52,081	46,184
Grants	-	11,300	11,300	90,301
Donated gifts in kind	-	-	-	-
	351,705	12,116	363,821	799,814

Included within donations is unrestricted income of £351,705 (2022: £400,204) and restricted income of £12,116 (2022: £399,610).

During the year the charity received gifts in kind totalling £nil (2022: £nil).

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

4 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Community based activities	17,614	-	17,614	10,454
Events	38,024	-	38,024	39,270
Youth services	3	-	3	-
Pastoral	640	-	640	664
Church services	1,030	-	1,030	160
	57,311	-	57,311	50,548

Income from charitable activities was £57,311 (2022: £50,548). All such income was unrestricted in the current and previous year.

5 Analysis of expenditure on charitable activities

Activity	Activities directly undertaken £	Support and governance costs (note 6) £	Total 2023 £	Total 2022 £
Discipleship & Church Events	3,676	6,750	10,426	6,916
Pastoral	3,941	7,235	11,176	9,288
Children's ministry	3,900	7,160	11,060	3,050
Creative	9,249	16,981	26,230	21,274
Corporate	11,607	21,309	32,916	20,736
Youth	1,670	3,065	4,735	3,343
Church services	36,307	66,651	102,958	161,630
Community based activities	86,258	158,354	244,612	192,434
Irrecoverable VAT	-	939	939	12,060
	156,608	288,444	445,052	430,731

Expenditure on charitable activities was £445,052 (2022: £430,731) of which £434,582 (2022: £380,194) was unrestricted and £10,470 (2022: £50,537) was restricted.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

6 Analysis of support and governance costs

	2023	2022
	£	£
Staff costs	191,331	163,470
Electricity, rates and water	-	1,401
Telephone, internet costs and IT support	4,717	3,271
Legal, professional and accountancy fees	1,483	801
Bank charges and loan interest	45,813	30,612
Depreciation	30,099	23,161
Insurance	8,034	9,900
Other support costs	4,629	(79)
Vehicle costs	1,399	-
Irrecoverable VAT	939	12,060
	288,444	244,597

7 Net incoming resources

	2023	2022
	£	£
Net resources are stated after charging:		
Depreciation	30,008	23,161
Amortisation	91	137
Operating lease charges	2,232	2,232
Independent examiner's remuneration:		
- Independent examination fee (exclusive of VAT)	3,500	4,000

8 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2023	2022
	£	£
Wages and salaries	178,079	153,516
Social security costs	8,701	6,624
Pension costs	4,551	3,330
	191,331	163,470

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

8 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

Particulars of employees:

The average number of employees during the year was as follows:

	2023 No	2022 No
Number of staff	9	9

No employees had employee benefits in excess of £60,000 per annum in either the current or prior year.

The Charity trustees were not paid and did not receive any other benefits from employment with the Charity in either the current or prior year, nor did they receive any travel or other reimbursed expenses.

The employee benefits paid to key management personnel during the year was £63,047 (2022: £48,864)

9 Tangible fixed assets

	Freehold property & improvements £	Fixtures & fittings £	Motor vehicles £	Total £
Cost:				
At 1 January 2023	2,120,726	131,004	2,598	2,254,328
Additions	133,117	4,936	-	138,053
Disposals	-	-	-	-
At 31 December 2023	2,253,843	135,940	2,598	2,392,381
Depreciation:				
At 1 January 2023	106,757	122,298	1,136	230,191
Charge for the year	26,847	2,796	365	30,008
Eliminated on disposals	-	-	-	-
At 31 December 2023	133,604	125,094	1,501	260,199
Net book value:				
At 31 December 2023	2,120,239	10,846	1,097	2,132,182
At 31 December 2022	2,013,969	8,706	1,462	2,024,137

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

10 Intangible assets

	2023
	£
Cost:	
At 1 January 2023	617
Additions	-
At 31 December 2023	617
Amortisation:	
At 1 January 2023	343
Charge for the year	91
At 31 December 2023	434
Net book value:	
At 31 December 2023	183
At 31 December 2022	274

11 Debtors: Amounts falling due within one year

	2023	2022
	£	£
Other debtors	30,776	32,757
Prepayments	1,905	1,775
	32,681	34,532

12 Creditors: Amounts falling within one year

	2023	2022
	£	£
Taxation and social security costs	7,139	3,918
Other creditors	9,165	100,027
Accruals	10,438	8,923
Bank loans (note 14)	22,335	27,179
Bounce back loan	9,869	9,626
	58,946	149,673

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

13 Creditors: Amounts falling due in more than one year

	2023 £	2022 £
Bank loans (note 14)	512,826	529,358
Bounce back loan	15,914	26,025
	528,740	555,383

14 Borrowings

Bank loans measured at amortised cost consist of the mortgage which falls due for repayment as follows:

	2023 £	2022 £
In less than one year	22,335	27,179
In two to five years	89,341	108,718
In more than five years	423,485	420,640
	535,161	556,537

The mortgage is subject to an interest rate of 3% per annum over base rate. The mortgage is repayable over a 19 year period, with monthly repayments of £4,359. The mortgage is secured by way of a first legal charge provided over the freehold properties.

15 Analysis of charitable funds

	At 1 January 2023 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2023 £
Unrestricted funds					
General fund	31,487	424,921	(405,564)	(55,437)	(4,593)
Designated fixed asset fund	1,331,922	-	(29,018)	291,459	1,594,363
	1,363,409	424,921	(434,582)	236,022	1,589,770
Restricted Funds					
New Home	262,805	12,116	(9,559)	(228,490)	36,872
Crossgate Hope	10,177	-	(739)	(7,532)	1,906
Creative	562	-	(134)	-	428
Youth	126	-	(38)	-	88
	273,670	12,116	(10,470)	(236,022)	39,294
Total funds	1,637,079	437,037	(445,052)	-	1,629,064

The New Home fund relates to donations and grant funding received towards the building of a dedicated home for the Church. Upon completion of each stage of the capital work, a transfer is made from the restricted home fund to the designated fixed asset fund. This transfer reflects that the terms of the gifts have been met, and the trustees are now able to use the property for the Charity's general charitable purposes.

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

The designated fixed asset fund balance carried forward is equal to the book value of fixed assets less the outstanding mortgage and concessionary loans.

The balance carried forward on the New Home fund relates to donations and grants received to fund the refurbishment project, which has been spent during 2023.

The Overseas Mission fund includes donations received towards the work of the Church in Uganda and Macedonia.

The Creative and Youth funds relates to capital grant funding. These funds are reduced by the depreciation charged on such equipment each year.

16 Movement in funds – previous year

	At 1 January 2022 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2022 £
Unrestricted funds					
General fund	91,426	462,651	(358,405)	(164,185)	31,487
Designated fixed asset fund	1,061,149	-	(21,789)	292,562	1,331,922
	<u>1,152,575</u>	<u>462,651</u>	<u>(380,194)</u>	<u>128,377</u>	<u>1,363,409</u>
Restricted Funds					
New Home	33,204	399,610	(41,632)	(128,377)	262,805
Crossgate Hope	18,788	-	(8,611)	-	10,177
Creative	805	-	(243)	-	562
Youth	177	-	(51)	-	126
	<u>52,974</u>	<u>399,610</u>	<u>(50,537)</u>	<u>(128,377)</u>	<u>273,670</u>
Total funds	<u>1,205,549</u>	<u>862,261</u>	<u>(430,731)</u>	<u>-</u>	<u>1,637,079</u>

17 Analysis of net assets between funds – previous years

	Unrestricted Funds £	Designated fixed asset funds £	Restricted general funds £	At 31 December 2022 £
Fund balances at 31 December 2022 are represented by:				
Tangible fixed assets	132,031	1,888,458	3,648	2,024,137
Intangible assets	274	-	-	274
Current assets	47,702	-	270,022	317,724
Creditor's falling due within one year	(122,494)	(27,179)	-	(149,673)
Creditor's falling due after one year	(26,026)	(529,357)	-	(555,383)
	<u>31,487</u>	<u>1,331,922</u>	<u>273,670</u>	<u>1,637,079</u>

CROSSGATE CHURCH LTD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

18 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2023	2022	2022
	Land and Buildings	Other Items	Land and Buildings	Other Items
	£	£	£	£
Within 1 year	-	1,312	-	2,152
Within 2 to 5 years	-	1,639	-	2,951
	-	2,951	-	5,103

19 Related parties

During the year the trustees made donations to the Charity totalling £14,383 (2022: £18,636).

There were no other transactions with related parties during the current or previous year.

20 Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net movement in funds	(8,015)	431,530
Depreciation charge	30,099	23,298
Investment income	(1,093)	(517)
Movement in debtors	1,851	(12,438)
Movement in creditors	(86,125)	88,114
	(63,283)	529,987

21 Taxation

As a charity, Crossgate Church Ltd is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

22 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.